MYSORE CONTRACT (EXTENSION TO AGRICULTURAL LAND) BILL, 1954.

Motion to consider.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I beg to move :

"That the Mysore Contract (Extension to Agricultural Land) Bill, 1954, be taken into consideration"

This is also of the same nature as that of the Mysore Transfer of Prisoners Bill. With the extension of the Indian Contract Act to Mysore, the corresponding provisions of the Mysore Contract Act stand repealed. The application of the Act to agricultural lands is not affected by the extension of the Indian Contract Act. Therefore, we are making use of the Indian Contract Act for all non-agricultural purposes while retaining the same Mysore Act for agricultural purposes. This Bill seeks to remedy this small difficulty and makes it possible to make use of the same Contract Act for both the purposes. I move the House to consider the Bill and pass it.

Mr. SPEAKER.—Motion moved :

"That the Mysore Contract (Extension to Agricultural Land) Bill, 1954, be taken into consideration."

Sri S. SRINIVASA IYENGAR (T.-Narasipur).—Sir, I wish to place before this House my views about the Mysore Contract (Extension to Agricultural Land) Bill, 1954. Under the Seventh Schedule of the Constitution of India, serial No. 7, it is no doubt true that contract forms the subject matter of the concurrent list. But, in that list it says that the Contract Act as applicable to agricultural land belongs to the State. Therefore, the Central Contract Act is applicable to Mysore except for agricultural land. Prior to 1951 Mysore had a Contract Act and that Act still remains; that Act is applicable to agricultural land. Therefore, I do not see why that Act is repealed; it can still continue. What are the difficulties that the Government are experiencing in the working of the Mysore Contract Act ? If Government have experienced difficulties, I would like to know what those difficulties are. If there are no difficulties, let the Mysore Act continue. Why should the Central Act be made applicable to the agricultural land when we have got an Act ? Where is the need for a change now ?

Sri J. MOHAMED IMAM (Jagalur).—I want to know whether there is any difference between the Indian Contract Act and the Mysore Contract Act.

Sri A. G. RAMACHANDRA RAO — There is absolutely no difference between the Indian Contract Act and the Mysore Contract Act. While making use of the Act for non-agricultural land, we have to take up the volume of the Indian Contract Act as extended to Mysore. But, while making use of the Act with reference to agricultural land, we have to take another volume and read the same provision from it. This Act removes that anomaly and says that the Indian Contract Act applies to both agricultural land as well as the other contracts. It is absolutely formal.

Mr. SPEAKER.—The question is :

"That the Mysore Contract (Extension to Agricultural Land) Bill, 1954, be taken into consideration."

The motion was adopted.

Mr. SPEAKER.—Clauses 2 and 3. The question is :

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Mr. SPEAKER.—Clause 1. The question is :

"That Clause 1 stands part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. SPEAKER.—Title and Preamble. The question is :

"That the Title and the Preamble stand part of the Bill"

The motion was adopted.

The Title and the Preamble were added to the Bill.

Motion to passs.

Sri A. G. RAMACHANDRA RAO.—I beg to move:

"That the Mysore Contract (Extension to Agricultural Land) Bill, 1954, be passed."

Mr. SPEAKER.—The question is:

"That the Mysore Contract (Extension to Agricultural Land) Bill, 1954, be passed."

The motion was adopted.

MYSORE CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 1954.

Dr. R. NAGAN GOWDA (Minister for Agriculture).—Sir, I move for the concurrence of the Assembly in the appointment of the Joint Select Committee of the two Houses to consider the Mysore Co-operative Societies (Amendment) Bill, 1954.

In doing so, I wish to say a few words regarding the necessity for this amended Bill for the Co-operative Societies Act.

2 P.M.

For some time past we have been considering the question of giving short-term loans to the agriculturist through co-operative societies for crop production, for holding the produce and for marketing the same with the help of finances which the Reserve Bank of India was willing to advance to us. I am glad to say that during this summer we have been able to get the financial help from the Reserve Bank of India and give it through the three central banks which have been started in Mandya, Hassan and Shimoga. In order to enable the Co-operative Societies to carry out one of the important conditions that have been imposed by the Reserve Bank, that is, to collect the loans that have been issued to the co-operative societies in time, promptly and, as far as possible, fully, it was found necessary to amend certain provisions in the Co-operative Societies Act. Till now, it was not possible to do that under the provisions that are now in the Co-operative Societies Act. The amendment Bill that is now before you provides for these powers, to enable the Central Bank, the co-operative societies and the Registrar to take effective steps for the collection of this amount.

Along with that, it was necessary for us to amend certain other sections to protect the interests of co-operative societies, to see that the properties that are mortgaged either as crops or as immovable properties are not alienated and difficulties created for the societies afterwards. It was also necessary to take steps to stop what are known as binami loans that we find here and there being indulged in by members of some societies. It is not very extensive but wherever it was found that such things had been attempted, it was necessary to take steps to see that effective checks were taken to prevent such transactions and also to see that the moneys that are given on such loans are promptly recovered.

The old Act did not provide for large sums to be taken as shares by members of co-operative societies. The co-operative principle, we are aware, insists on a large number of members taking small share capital to help one another and be helped by all others. But in the working of this and in the organising of the District Central Bank, we found it necessary to enable the members to take a bigger share capital than was being taken till now according to present rule. So we have also amended one of the sections which fixes the share capital that any one member can hold up to only Rs. 1,000. We have stated that a member can be allowed to take as much as Rs. 10,000 share capital. Here the fundamental principle, that it does not matter what amount as share capital a member holds, he is entitled to only one vote, is of course kept in view. No alteration has been made in that respect.

I will not take much time of this House at this juncture by going into details and reading out the sections that have now been amended. But I will mention only a few important